GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3441
ANSWERED ON:05.08.2016
Revenue Transfer to States
Azad Shri Kirti (JHA);Ering Shri Ninong;Pala Shri Vincent H;Shekhawat Shri Gajendra Singh;Vasava Shri Parbhubhai Nagarbhai

Will the Minister of FINANCE be pleased to state:

(a) the detail of the gross tax and non-tax revenue collected by the Government and transfer to States during the last three years and the current year, State-wise;
(b) the ratio thereof in percentage of Gross Domestic Product (GDP) and gross revenue collection of Governments during the said period;
(c) whether the Government has received any complaints/representations form States about unequal distribution of their shares; and
(d) if so, the details thereof along with the response of the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) (i) Details of Gross Tax and Non-Tax Revenue from 2013-14 to 2016-17 are as under:
(` Crore)

Year	2013-14 (Actual)	2014-15 (Actual)	2015-16 (RE)	2016-17 (BE)
Gross Tax Collection	1138734.74	1244884.53	1459611.09	1630887.81
Non-Tax Revenue	198869.69	197857.38	258575.54	322921.10
Gross Revenue Collection	1337604.43	1442741.91	1718186.63	1953808.91

(ii) Details of Share of net proceeds of Central Taxes and Duties transferred to States are as under:
(` Crore)

2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (BE)	2016-17 (Upto August, 2016)
318229.60	337808.45	506192.96	570336.59	203688.30

State-wise details are enclosed as Annexure 'A'.

(b) Share of net proceeds of Central Taxes and Duties transferred to States as percentage of Gross Domestic Product (GDP) and Gross Revenue collection are as under:
(` Crore)

Year	2013-14 (Actual)	2014-15 (Actual)	2015-16 (Actual)	2016-17 (BE)
Share of Central Taxes & Duties released to States as percentage of Gross Revenue Collection	23.79%	23.41%	29.46%	29.19%
Share of Central Taxes & Duties released to States as percentage of Gross Domestic Product	2.80%	2.67%	3.73%	3.79%

(c)
& (d) Assam, Bihar, Tamil Nadu & Uttarakhand have represented about unequal distribution of shares in Tax devolution. The Fourteenth Finance Commission (FFC) while determining the inter-se share of the States, aimed to correct the differentials in revenue raising capacity and expenditure needs, taking into account the cost disability factors to the extent possible. The Commission had the view that the devolution formula should continue to be defined in such a way that it attempts to mitigate the impact of the differences in fiscal capacity and cost disability among States. While doing so, Commission had kept in view the approaches suggested by individual States for horizontal distribution. Accordingly, Commission had decided following criteria and weights assigned for inter-se determination of the Shares of taxes for the States:-

Criteria	Weight (Per Cent)
Population	17.5
Demographic Change	10
Income Distance	50
Area	15
Forest Cover	7.5

The FFC recommended enhancement in the share of the States in the divisible pool of central taxes from 32% to 42%, which the Union Government accepted. This envisioned giving greater and real meaning to cooperative federalism and keeping in view the sentiments expressed by the States regarding greater flexibility and autonomy in designing, implementing and financing of schemes. This would in absolute terms, more than compensate the fall in relative shares of certain states. Hence in real terms, all states would stand to gain from the FFC recommendation.

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Annexure "A"

Statement showing year-wise releases of States" Share of Union Taxes and Duties made to the State Governments.

(` Crore)

Sl.No.	State	Actual 2013-14	Actual 2014-15	Actual 2015-16	BE 2016-17	(Upto August, 2016) 2016-17
1	Andhra Pradesh	22131.88	13692.42	21893.79	24637.36	8798.91
2	Arunachal Pradesh	1045.85	1109.98	7075.58	7868.96	2810.33
3	Assam	11574.52	12283.71	16784.88	18938.27	6763.56
4	Bihar	34829.12	36963.07	48922.68	55233.71	19726.01
5	Chhattisgarh	7880.22	8363.03	15716.47	17644.38	6301.48
6	Goa	848.53	900.54	1923.76	2156.77	770.28
7	Gujarat	9701.93	10296.35	15690.43	17669.03	6310.28
8	Haryana	3343.24	3548.09	5496.22	6188.80	2210.29
9	Himachal Pradesh	2491.52	2644.17	3611.17	4074.67	1455.21
10	Jammu & Kashmir	4142.10	4477.23	7813.48	8892.09	3175.70
11	Jharkhand	8939.32	9487.01	15968.75	17956.38	6412.82
12	Karnataka	13808.28	14654.25	23983.34	26978.84	9635.13
13	Kerala	7468.68	7926.29	12690.67	14282.00	5100.66
14	Madhya Pradesh	22715.27	24106.99	38397.84	43211.39	15432.38
15	Maharashtra	16586.70	17602.97	28105.95	31627.09	11295.24
16	Manipur	1438.79	1526.95	3142.42	3524.42	1258.72
17	Meghalaya	1301.96	1381.69	3276.46	3668.82	1310.27
18	Mizoram	858.08	910.67	2348.11	2627.17	938.27
19	Nagaland	1001.27	1062.69	2540.72	2844.82	1015.97
20	Orissa	15247.09	16181.21	23573.75	26567.56	9488.24
21	Punjab	4431.47	4702.97	8008.90	9005.09	3216.01
22	Rajasthan	18673.07	19817.14	27915.93	31477.89	11241.94
23	Sikkim	762.62	809.33	1870.28	2094.95	748.23
24	Tamil Nadu	15852.76	16824.03	20353.86	23018.12	8220.57
25	Telangana	9795.40	12350.72	13955.35	4983.97	
26	Tripura	1630.25	1730.13	3266.02	3667.01	1309.62
27	Uttar Pradesh	62776.68	66622.91	90973.66	102649.92	36660.03
28	Uttaranchal	3573.38	3792.30	5333.19	6014.46	2147.94
29	West Bengal	23175.02	24594.93	37163.93	41861.27	14950.24
TOTAL		318229.60	337808.45	506192.96	570336.59	203688.30